East Jerusalem

Glory of the Past, Promise of the Future

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I. Forward by Mr. Faisal Husseini

The historical agreements signed between the PLO and Israel in 1993 and 1995 are paving the way for a real and comprehensive peace. However, peace and reconciliation will not truly be reached until Israelis and Palestinians live as neighbors with equal rights. This reality has yet to be achieved, as Israel continues its policies of treating the Palestinians as an occupied people and not as equal partners in the making of peace in the region.

The path to peace is not easy, especially as we are fighting the battle on more then one front. While ending the military occupation has been the most important goal of our struggle, we find that efforts to build our economy and infrastructure pose a challenging task as well. Israel has left a shattered infrastructure in Gaza and the West Bank, where basic services of a civilized society are lacking. ***This reality is even more distinic and profound in Arab East Jerusalem.***

Jerusalem is the heart of the Palestinian people, their political, social and religious capital. The political conflict has extended to create ***economic disparity*** and social disequilibrium in Jerusalem. The deliberate Israeli policy of keeping its grip on the Palestinian Territories and not allowing for political and economic development, in violation of the peace agreement, is especially evident in East Jerusalem.

In a clear attempt to claim Arab East Jerusalem as part of Israel (a direct violation of U.N. resolutions and international law), Israel has insisted that no funding from international donors or the PA be allowed to ameliorate the disadvantaged economic situation in East Jerusalem. Therefore, this lack of support for the public sector must be replaced by the private sector and the international community. A central Palestinian goal is to pool the resources of Palestinian, Arab and foreign investors from throughout the world to invest in East Jerusalem. The Palestinian private sector in East Jerusalem is already preparing the ground for absorbing and facilitating these investments.

Forunately, there is ***vast opportunity for Palestinian and foreign private investment in East Jerusalem***. Foreign investment is not impeded in Jerusalem, but rather welcomed and facilitated. Furthermore, because Jerusalem is, in essence, two cities marred by much **disparity** and ***inequity***, ***the disparities leave much room for potential investment in East Jerusalem.*** The cultural, economic and developmental needs of East Jerusalem are vibrant, deserving our attention. Jerusalem is a city with great potential, qualified to become the regional capital, a stature well merited.

Embarking on an era of reconstruction, East Jerusalem, and the adjacent areas around it, need investment and entrepeneurship in all areas from small scale industry to services. Furthermore, the position of Jerusalem as a hub of tourism in the region makes this potential even more lucrative. ***Areas of great untaped potential and promise*** provide immediate venues for profit as the country opens up for investment and investors. Furthermore, at the heart of the country, East Jerusalem and its vicinity

offer a remarkable choice of sites and a business community eagar to work with foreign investors.

Current economic conditions and the recent events all prove the vitality of gearing Diaspora Palestinian and other <u>private</u> investment into the Palestinian Territories at a time when <u>public</u> foreign investments and funding are withheld.

East Jerusalem is and has always been the heart and the capital of the Palestinian people. Jerusalem's historic role as the center of the region, a link between neighboring countries, and a key in Middle East development and regional cooperation, should never die. Jerusalem must not be neglected, and while we prepare for the final status negotiations, we must work to rebuild our Holy City. Ending the military occupation will allow for long overdue economic development. Only then will the Palestinians and the Israelis be truly equal partners in peace.

Jerusalem is becoming as the central issue in the peace process. As such a peace process without Jerusalem is not comprehensive. The testing ground for peace in the Middle East is Jerusalem, and to truly make Jerusalem the city of peace, we need bring investments and development to it.

The investment potential that is innate in East Jerusalem is real and only investors who preposition themselves at an early stage will be able to profit from this lucrative service and tourism hub. We are engaged in a mission to rebuild Jerusalem. This mission is your and ours. Come and capture the emerging opportunities in reconstructing East Jerusalem in all its forms.

Faisal Husseini
Head of the Palestinian
Team to the Middle East
Peace Conference

II. General Profile on East Jerusalem

"In an ancient script it is said of Jerusalem: Ten measures of beauty were bestowed upon the world: nine were taken by Jerusalem, and one by the rest of the world."

Jerusalem is a city that has for centuries captured the hearts and minds of prophets, historians, poets, artists, politicians, men, women, and children. It has always been, and shall always remain, one of the most beautiful ancient cities of the World, the land where human civilization was born thousands of years ago. This is the land that has been the cradle of cultures and the three monotheistic religions, a land that has been contested and fought over throughout history.

If boarders are opened, not only will it become a city of peace that Christians, Moslems and Arabs from all over the World would love to visit, but it will also become a city where international investors, especially Palestinians, will come to develop and revitalize. Furthermore Jerusalem's moderate climate and its proximity to the Dead sea and cities like Jericho, Tiberias, Nazareth, Ramallah, and Bethlehem, that are only a few hours away, gives it a central location both in the local and regional sense.

It is only natural that the Palestinian people who have been struggling for 28 years, who have been waging a relentless fight for their freedom, now need support in their goal to build their future - especially in East Jerusalem. Today, Jerusalem might still be perceived as a problem, as a point of contention between two peoples. However, the peace negotiations have rekindled hope and trust that the Holy City will one day attain the status that it truly deserves.

Photo Garo

Experience Palestinian Hospitality...

III. Investment Opportunities

A. Investing in East Jerusalem: The city of unparallelled opportunity

With the foundation of peace in the region, investments will focus on the Middle East throughout the 90's and beyond the year 2000.

With the normalization of relations in the region and the gradual integration of markets, a stable investment environment will prevail.

Jerusalem has always been an international city, attracting millions to its holy and historic sites. East Jerusalem, after years of occupation and neglect, is ripe with investment opportunities and potential. The lack of commercial services-restaurants, cafes, shops, theaters, hotels, shopping malls, etc. - leaves the door wide open for investors. Needs exist in all fields from tourism to housing, from small scale industry to services that stand to be expanded and integrated into the regional economy. Investors will find, in East Jerusalem, chances of rewarding themselves with profit and business, as East Jerusalem is bracing itself for growth in tourism, construction of urban infrastructure, service industry and human resource development. The groundwork for tomorrow is being prepared today.

East Jerusalem, with its proximity to neighboring countries, will be a logical choice for regional business and international companies. East Jerusalem's strategic location is also well suited to serve foreign companies looking to establish or expand operations in the Middle East. The city is only 2 hours by car from Amman, one hour by air from Cairo, one hour and a half from Gaza and half an hour from Bethlehem and the Dead Sea.

East Jerusalem also has an enabling working environment by virtue of its pro-business administration and legal system. Investors, through the help of legal advisors and consultants, will be able to conduct their business and make sound business decisions based on clear interim strategies and lucrative future prospects. The glorious future of Jerusalem will force all parties in the city to preserve the uniqueness of the city and its competitive edge, despite current political arguments.

B. Tourism Sector in East Jerusalem

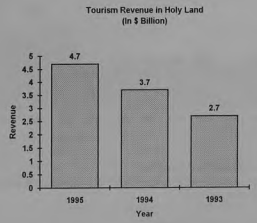
The tourism sector in East Jerusalem, unshakled by the constraints of political turmoil, offers unprecedented opportunities for business. The sector, which has only shown growth over the years, is a sure profit opportunity for the potential investor.

B.1 Background

Tourism, a sector which is extremely vital to the economy of the Palestinian Territories, especially in Jerusalem, provides the most important source of foreign currency and employment.

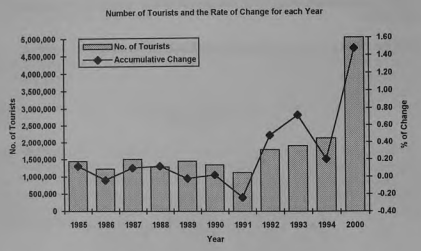
Facts and figures demonstrate that tourism is one of the primary vehicles that will charge the economic development of Palestine. Tourism is a great economic asset with spin-offs to many associated industries and services, both public and private. The sector will be given a boost by the peace process and will, in return, stimulate social and commercial interaction throughout the region. Moreover, with the deepening of regional ties, tourism will play a central role in the economic development of the Middle East.

Fact: In 1995 alone, tourism revenues reached $5 billion USD.



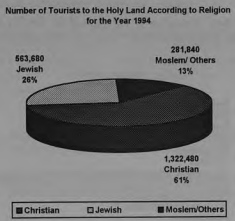
Fact: By the year 2000 it is projected that 5.2 million tourist will flock to the Holy land.

From these figures, it is clear that the tourism sector in East Jerusalem is a sure investment potential. Moreover, the accessibility to Jerusalem from any point in the rest of Palestine, Israel and Jordan makes the duty of developing East Jerusalem an interest shared by all.



Kinds of tourism expected in Jerusalem:

1. Religious tourism fueled by Islamic and Christian pilgrimages coming on line*
2. Palestinian, Arab and regional.
3. Cultural.
4. Conference and convention/business.
5. Health.



By the year 2000, (2.5 million) 50% of expected inflow of tourists to the Holy Land will be from the region (Muslim & Arab)
Source: Israel Tourism Statistical Report 1994 Estimates for year 2000 are on arithmetic extraction

B.2 Why Jerusalem?

Why is tourist development a profitable investment?

1. ***93%*** of the tourists that visit the Holy Land make Jerusalem an eminent priority and stop during their trips. Of the ***2 million*** visitors to the Holy Land today, ***85%*** desire lodging in Jerusalem.

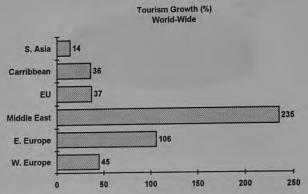
2. Jerusalem forms a complimentary tourist site, as its gathers in one place many diversified attraction centers:
   - the holy shrines of the three monothesitic religions
   - archeological and historic sites of the successive civilizations.
   - the distinguished old city of Jerusalem, intact with its walls, old markets and quarters.

3. Jerusalem's distinguished geographical location, lying in the middle of the north and the south, makes it a main path for passengers in both directions. Tomorrow, regional travels between Cairo, Damascus, Tel Aviv, Beirut and Amman will make Jerusalem their clearing house as they travel the region.

4. The country's tourist activities and services are concentrated in Jerusalem-87% of hotels, 94% of travel agencies, 82% of tourist guides, and 100% of transport services.

5. It's geographic and climatic advantages make it a great candidate for extensive development of leisure and recreational tourism.

The centrality of East Jerusalem is highlighted by the fact that no program for tourist groups in the area is conducted without accommodation in Jerusalem.



B.3 Palestinian tourist industry

There are several ***features basic to the Palestinian Tourist industry*** that can make it a very attractive investment, as well as an economic locomotive, stimulating other related industries.

1. With political and military tensions, the growth of tourism in the Middle East lagged behind world growth. In a peaceful situation, the **expansion** of this sector will be the largest, making it a great target for foreign investment.

2. This sector is ***labor intensive***, with an 87% added value.

   Fact: Taking the case of Israel, in terms of added value, the income generated in 1989 from tourism was three times higher than that generated from agriculture or from diamond exports.

   There also exists an ***incalculable ripple effect***, especiallly because the actual number employed in or affected by this industry is quite high. Therefore, an expansion of the market will have an immediate effect on employment in this and related sectors. Furthermore, the ***income generated*** from tourism is, in turn, spent directly in the local economy.

3. Palestinian tourism heavily depends on ***religious tourism***, which is much more stable than other forms of tourism and less sensitive to the political climate. This has proven to be consistently true through all the previous political upheavals in the region. For example, during the Lebanese crises and the Intifada, tourism in general in Israel showed a steady decline. Yet, this predicament was not evident in the religious market, which showed a conservative increase in the last year before the Gulf crisis.

B.4 Tourism Sector in Jerusalem: Facts and Figures

Jerusalem is our political, spiritual, religious and tourist capital. Since the 1967 war and the Israeli occupation, the extent and quality of Palestinian tourist facilities and services have, with a few exceptions, decreased absolutely or relatively in comparison to the development of such facilities and services in the Israeli areas. Tourism is the first source of revenue to the economy of Jerusalem because of the limitations in other economic resources.

"Our ambition is to double the number of tourists visiting Jerusalem" - Mr. Marwan Amad, the head of the Arab Hotel association

The venues for investment are numerous, as tourism involves various related services, such as restaurants and transport, all in need of expansion.

B.5 Why Invest?

1. 5.2 million tourists are projected to flock to the Holy Land in the year 2000.
2. The following sectors are clearly undeveloped and not ready to meet the needs of the huge influx of tourists expected. With little competition, and an assurance of customers, there is ***no room for loss.***

B.6 Hotels:

With the Occupation in 1967, the number of hotel rooms froze at 2200, while the number of hotel rooms in West Jerusalem increased from ***1193*** in 1968 to ***5361*** in 1993.

East Jerusalem accommodates ***7%*** of the total number of tourists visiting Israel and the aim is to increase it to ***15%*** to meet the projected ***4-5 million tourists for the year 2000.***

It is no myth that the number of tourists to Israel, Palestine and Jordan will be immensely affected by the availability of lodging capacity (rooms) in East Jerusalem.

Requirements for the development of the hotel industry

A. Upgrading the level of hotels in terms of restoration, services and equipment.
B. Resumption of incomplete construction works at Arab hotel projects.
C. Acquiring licenses to add new rooms.
D. Establishing international chain hotels to serve the high income tourists (there is no 5 star hotel in East Jerusalem),businessmen and hospitality purposes such as different types of conferences and conventions.
E. Building motel chains with international standard.

Photo Garo

B.7 The possibility for investment in the Hotel industry in East Jerusalem

Financial needs: According to the field study done by the Orient House on hotels in East Jerusalem, we notice that there is a possibility to invest the following phases:

1- There are 1,236 rooms in need of renovation or reconstruction with an estimated cost of $13,612,000.

2- It is possible to make additions of 462 rooms to existing hotels to bring the number of rooms to 2,603 with an estimated cost of $433,886,000.

3- There are plans to have four additional hotels constructed, with a capacity of 805 rooms, to bring the total number of rooms up to 3,408 with an estimated cost of $50,000,000.

4- Addition of 2,300 rooms through construction of new hotels on sites and lands zones for hotels construction according to municipal ordenants (see table below):

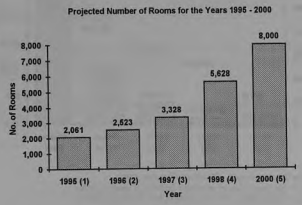
	Number of rooms	*Estimated Cost per room*	*Total Cost*
Five-star room	1,000	$110,000	$110,000,000
four-star room	800	$80,000	$64,000,000
Three-star room	500	$60,000	$30,000,000
	2,300		**$204,000,000**

There costs an immediate need to take the number of hotels rooms to 8,000 in Jerusalem in anticipation of 5 million tourists by year 2000 would keep investments in hotels a lucrative business.

- See appendix for list of hotels and contacts.

The Projected Number of Rooms for the Years 1995 - 2000

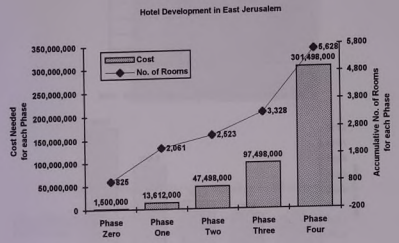
Year	*Number of Rooms*
1995 (1)	2061
1996 (2)	2523
1997 (3)	3328
1998 (4)	5628
2000 (5)	8000



(1) Existing hotels
(2) With addition of 462 rooms to existing hotels
(3) With construction of 805 rooms of new hotels
(4) Locations slated for hotel development/ possible addition of 2,300 rooms
(5) Total number of hotel rooms needed by year 2000*
* Year 2000 estimate is not a fixed date, the process of construction could go beyond year 2000, but the needs for this target date are real.
Source: field survey by Tourism Department - Arab Studies Society

The Projected Number of Hotels for the Years 1995 - 2000

Year	*Number of Hotels*
1995	33
1997	38
1998	42
2000	45



Phase Zero: renovation of facilities of existing hotels
Phase One: renovation of rooms and facilities of existing hotels
Phase Three: addition of rooms and facilities to existing hotels
Phase Three: new hotels to be constructed
Phase Four: total number of additional hotel rooms needed by year 1998
Source: survey by Tourism Department, Arab Studies Society

Photo Garo

B.8 Travel Agencies:

The 46 tourist travel agencies in 1967 dropped to **36** in 1992, while the number of Israeli travel agencies grew from **35** to **436** in the same period. Similarly the number of Palestinian licensed tourist guides dropped from **202** to **87**, while the number of Israeli guides grew from virtually zero to **4300**.

B.9 Tourist Transport Services:

- There are **1100** Israeli large buses and **200** mini buses while only **150** large buses and **25** mini buses are run by nine Palestinian tour companies. Israeli competition and monopoly over the market has strangled this sector.

- The present capacity will not cover the future requirements. Estimate show that **800** new coaches are needed. This requires the financing of an average of **$250,000** per bus.

Projected Number of Buses Between 1995 and 2000

Year	*Number of Buses*
1995	150
1996	300
1998	500
2000	1000

Photo Garo

B.10 Restaurants & Entertainment:

- This service will flourish and grow to meet the needs of the foreign, Arab and domestic tourism. The region is in need of ***50 restaurants with an average cost of $20,000 per restaurant.***

Restaurants for Tourists in East Jerusalem

Year	*Number of Restaurants*
1995	7
1996	14
1998	20
2000	50

Requirements for Successful Tourist Projects

1. Capital investment.
2. Modernly trained manpower.
3. Marketing and Promotion.
4. Strengthening and expanding vocational training.
5. Training in the field of maintenance and renovation.

The Investor Is Assured Full Cooperation from the Palestinian Private Sector, Which Will Play a Pioneering Role In Employing and Activating All Available Resources, Starting Initiatives, and Choosing Sites.

Photo Garo

Photo H.Safieh

C. Investing in Jerusalem: Housing Sector

Not only is investment in the housing sector a necessity, but an extremely promising business opportunity as well. The need for housing units has been in greater demand during the past decade and will continue to increase in the years to come. The population growth, the shortage of housing, the expanding tourist industry, and the increasing importance of Jerusalem as a religious, cultural, intellectual and commercial center all combine to create an immediate need for housing.

Jerusalem's residential stock has fallen far behind the growth in demand for housing, and this predicament will worsen if the needs are not met. Thus, this acute need for housing offers one of the most profitable venues for investment.

The Future Prospects of Investment in Housing

C.1 The Demand

Statistics regardering to demographic, residential and housing stock licensed units last year, as well as expected future trends, provide positive indicators for it investment. The population of Jerusalem up to the year 2010 is expected to be 750,000 persons out of which 350,000 are Arabs (both Moslems and Christians), occupying mainly the eastern part of the city. The average family size is about 6.2 persons per one household. Housing density is very high (about 3.8 persons per room) and more than one generation live in most of the residential units.

The need envisaged for residential units is estimated to be about 26,200 by year 2010 in order to accommodate the local residents in Jerusalem area, as well as expected returnees and visitors.

C.2 Possible Projects

Investment in housing can serve the following categories of clients:

Project I: Renovation of the deteriorated and historically valuable traditional houses of Jerusalem.
There are 1,600 housing units at the average cost of $ 10,000 each.

Project II: Adding to the height of existing houses in Jerusalem.
There are about 9,800 residential units out of which 3,500 are in the old city and 6,300 are beyond the old city wall.

The cost of construction per square meter is approximately $550. The average size per unit is 120 square meters. The calculated cost of the project (120 square meters x 9,800 units x$550) is $64,680,000.

Project III: Multi-Story Residential Complexes within the boundaries of Jerusalem City.

There is sufficient space available that can be utilized for residential complexes and neighborhoods. Each complex may accommodate 80 - 96 spacious apartments with super style, deluxe finishing. The cost of construction per square meter is approximately $600. The and average size per apartment is 180 square meters The total investment needed for this project is (180 square meters x 96 units x 600) or $10,368,000.

Project IV: Investment in Business Office Buildings:

Arab Jerusalem is growing in tourism and cultural activities. The need for Business Office Space is pressing. It is estimated that the Jerusalem area can accommodate about 3,800 office apartments for small, medium and large business (national and international). The offices space may range between 90 - 160 square meters. Investment in the project is 3,800 x 125 square meters (average) per office x $550 cost of construction per square meters. The total investment is $26,125,000.

Project V: Housing Cooperatives:

There are 17 Housing Cooperatives in the Jerusalem area. Two have finished construction and the remaining 15 need investment.

Total investment in this project, estimated by a study made by the Palestinian Housing Council, is $37,573,800.

Summary

Project I: Housing Renovation in the Old City of Jerusalem	$160,000,000
Project II: Adding Hight to Houses	$64,680,000
Project III: Multi-Story Buildings	$10,368,000
Project IV: Business Office Buildings	$26,125,000
Project V: Housing Cooperatives	$37,573,800
Total	$154,746,800

Photo H. Safieh

D. The Palestinian Pharmaceutical Industry

D.1 Introduction

The pharmaceutical industry is one of the most promising and competitive industrial sectors in Palestine. Despite the small market, lack of financing, and exogenous market restrictions, the sector has not only kept a healthy market share, but has also penetrated foreign markets. The base for the pharmaceutical industry in Palestine is the periphery areas of Jerusalem: Ramallah, Bethlehem, and Abu Dis (future location). This makes the future area of Jerusalem both a manufacturing and a marketing base for a very competitive Palestinian industry: pharmaceuticals.

Quality of Palestinian products

The majority of the principle players in the Palestinian Pharmaceutical industry are within quality control standards WHO, FDA, GMP and ISO.

Recently CBI of Holland (Trade Promotion Agency) conducted a global survey of international pharmaceutical producers. Out of the 42 world producers qualified on the final list, three are Palestinian.Who will be exhibiting their products in Munich, September 1995. The Palestinian pharmaceutical market also includes lab technicians from international and local institutions.

D.2 Sector Highlights

In 1994, the total combined sales of the Palestinian pharmaceutical industry was estimated to be approximately $15,000,000 due to the control of the Israeli Health Authorities over the purchase of pharmaceutical products for the Palestinian health system. In consequence, this deprived the local Palestinian producers from a sales volume of $20,000,000 in public sector purchases. Israel would procure pharmaceutical products directly without tender.

Palestinian producers were also competing with Israeli pharmaceutical products in sales to the private sector in Palestine (private pharmacies, NGO's and Hospitals). The sales volume to the private sector from pharmaceutical products is $25,000,000. However, had the Israeli practices of 1994 been phased out, the total sales volumes of the pharmaceutical industry in Palestine would have been a combined $45,000,000.

Export Prospects

The Palestinian pharmaceutical sector has been able to perform well despite harsh circumstances. Shacked by the lack of credit and severe competition with the cheaper regional products, the sector requires the opning up of regional markets to develop effectively.

Purchases of some Arab Countries of Pharmaceuticals

Country	*$Purchase Value*
Yemen	133 m.
Sudan	100 m.
Algeria	800 m.
Iraq	750 m.
Saudi Arabia	650 m.
Egypt	1000 m.
Libya	150 m.
Morocco	600 m.
Tunis	400 m.

With the opening up of boarders and the removal of trade barriers, pharmaceutical sales to the Arab World, where they are most in demand, will soar.

Supply Of raw Materials

Palestinian pharmaceutical will also be able to compete after direct agencies are created. Presently, imported raw materials go through Israeli agents, who supply the local sector through sub-agencies. The lack of direct agencies in the Palestinian market increases unit costs, as well as packaging and packing. Therefore, if direct agencies are granted directly, saving costs are estimated to be:

1- 35% for packing material.
2- 20% for import of chemical raw material.

Thus, the production cost in Palestine will decrease as compared to Jordan, enabling local pharmaceutical products to compete with Arab markets.

Strategy: Palestinians are looking to engage in joint ventures between European companies and Palestinian companies to re-export to Eastern Europe and the Arab World. This will be valid in light of recent developments in the industry whereby the manufacturing of non-brand (generic) products is sweeping world markets. This fact would make it possible for Palestinian manufacturers to produce under license non-brand products at cheaper rates for re-sale to Western and Arab markets.

D.3 Future Expectation:

With the removal of Israeli practices and the establishment of the Palestinian Ministry of Health, the purchasing policies being adopted by the Palestinian authority will have a positive impact on sector performance. The fact that the Palestinian Ministry of

Health is now tendering all its purchase and is allowing Palestinian manufacturers to participate in tenders (previously off limits) is a sure guarantee for positive performance and sector growth.

As a result the sector expects 1995 of local sales to the public sector to reach $5 M. Compared to less than $500,000 in 1994. There is an overall projected annual growth between 10%-15% in local market sales volume.

It is worth noting that there are Arab countries like Somalia, Djibouti, Libya and Sudan that do not have local manufacturing capacity for Pharmaceutical products.

E. Appendix

No.	HOTEL NAME	TOTAL NO. OF ROOMS	RENOVATION PLAN: ROOMS TO BE RENOVATED	RENOVATION PLAN: COST OF ROOMS	RENOVATION PLAN: COST OF FACILITIES	RENOVATION PLAN: TOTAL IN U.S. $	ADDITIONS OF ROOMS AND FACILITIES: NO. OF NEW ROOMS	ADDITIONS OF ROOMS AND FACILITIES: COST OF NEW ROOMS	ADDITIONS OF ROOMS AND FACILITIES: COST OF NEW FACILITIES	ADDITIONS OF ROOMS AND FACILITIES: TOTAL IN U.S. $	GRAND TOTAL IN U.S. $
1	AL-CAZAR	38	30	150,000	785,000	935,000	40	2,160,000	-	2,160,000	3,095,000
2	AL-ZAHRA	125	-	-	1,500,000	1,500,000	-	-	-	-	1,500,000
3	AMBASSADOR	96	22	110,000	-	110,000	-	-	-	-	110,000
4	AMERICAN COLONY	54	30	150,000	22,000	172,000	50	2,700,000	100,000	2,800,000	3,080,000
5	CAPITOL	54	24	120,000	180,000	300,000	50	2,700,000	-	2,700,000	3,000,000
6	CHRISTMAS	24	45	225,000	80,000	305,000	-	-	-	-	-
7	COMMODORE	72	105	525,000	50,000	575,000	60	3,240,000	-	3,240,000	3,815,000
8	GLORIA	105	15	75,000	35,000	110,000	4	216,000	-	50,000	326,000
9	HOLY LAND	15	30	150,000	11,000	161,000	-	-	50,000	50,000	211,000
10	JERUSALEM	30	74	370,000	130,000	500,000	28	1,512,000	500,000	2,012,000	2,512,000
11	LAWRENCE	74	-	-	-	-	-	-	-	-	-
12	MERIDIAN	-	65	325,000	-	325,000	-	-	-	-	325,000
13	METROPOLE	30	61	305,000	120,000	425,000	-	-	-	-	965,000
14	MOUNT SCOPUS	61	105	525,000	1,100,000	1,625,000	10	540,000	-	540,000	6,617,000
15	MOUNT OF OLIVES	105	45	225,000	150,000	375,000	98	5,292,000	-	5,292,000	400,000
16	NATIONAL	45	25	125,000	250,000	375,000	-	-	-	-	275,000
17	NEW IMPERIAL	25	-	-	-	-	-	-	-	-	375,000
18	NEW METROPOLE	68	-	-	-	-	-	-	-	-	-
19	NEW REGENT	-	74	370,000	50,000	420,000	-	-	-	-	3,500,000
20	PALACE	74	27	135,000	246,000	381,000	20	1,080,000	2,000,000	3,080,000	381,000
21	PANORAMA	27	-	-	-	-	-	-	-	-	-
22	PETRA	-	30	150,000	-	150,000	7	378,000	518,000	896,000	1,046,000
23	PILGRIMS INN	16	-	-	-	-	-	-	-	-	-
24	PILGRIMS PALACE	103	-	-	165,000	165,000	-	-	-	-	165,000
25	RITZ	31	31	155,000	10,000	165,000	3	162,000	-	162,000	285,000
26	RIVOLI	17	17	85,000	38,000	123,000	60	3,240,000	650,000	3,890,000	4,590,000
27	SAVOY	200	140	700,000	500,000	1,200,000	-	-	-	-	1,723,000
28	SEVEN ARCHES	140	58	290,000	950,000	1,240,000	22	1,188,000	130,000	1,188,000	2,428,000
29	ST. GEORGE	58	26	130,000	470,000	600,000	-	-	-	120,000	720,000
30	STRAND	54	-	-	-	-	-	-	-	-	-
31	VICTORIA	57	-	-	-	-	-	-	-	-	-
32	YMCA	28	-	140,000	400,000	540,000	10	540,000	-	540,000	1,080,000
33	YWCA	28	-	140,000	400,000	540,000	-	-	-	-	540,000
		2,061	1,239	6,180,000	7,433,000	13,612,000	482	24,948,000	9,938,000	33,886,000	47,498,000

List of Hotels in East Jerusalem

Hotel Name	*Contact Person*	*Phone*	*Fax*
Al-Cazar Hotel	Younes Abdallah Mahmoud	280693 280711 281111	280763
Al-Zahra Hotel	Hani Abu Dayeh	282515	282516
Ambassador Hotel	Muna Matta, GM	323532 828515/6	828202
American Colony Hotel	Kevin Koonz	279777	279779
Capital Hotel Co.	Kathem Sarandah	282561	894352
Christmas Hotel	George Garabedian	282588 894418	894417
Commodore Hotel	Dr. Mahmoud Abu Lafi	271414	284701
Gloria Hotel	Shukri Farwaji	282431	282401
Holy Land Hotel	Marwan/Zuheir Amad	272888	280265
Jerusalem Hotel	Raed Sa'adeh	283282	283282
Jerusalem Meridian	Raed Kaloti	285212	285214
Jerusalem Panorama Hotel	Munther Aweidah	284887	273694
Lawrence Hotel	Shukri Lawrence	894208	271285
Metropole Hotel	Shukri Hallak	282507	
Mount of Olives Hotel	Kamal/Ibrahim Daoud	284887/8	894427
Mount Scopus Hotel	Dr. Fruman	828891	828825
National Palace Hotel	Fuad Abu Al-Haj	273273	282139
New Imperial Hotel	Suleiman Dajani	282261	270350
New Metropole Hotel	Ma'moun Qubti	283846	272485
New Regent Hotel	Bassel Amad	284540	894023
Notre Dame Hotel	Dr. Richard Mathes	279111	271995
Palace Hotel	Joseph Ma'ya'h	271126	894472
Petra Hotel	Nabil Kirresh	282356 286618	282356
Pilgims Inn Hotel	Fahmi Nashashibi	284883 282358	894658
Pilgrims Palace Hotel	Fahmi Nashashibi	272416	894658
Rivoli Hotel Jerusalem	Nader Sunnukrot	284871	274879
Saint George Int.	Fayez Qutub	277232/5	282575
Savoy Hotel	Issam Hawash	283366	271319
Seven Arches Hotel	Awni Anshiwat	277555	271319
Strand Hotel	Fa'eq Barakat Fa'eq Nashashibi	284998 287330 280279	284826
Victoria Hotel	Omar Abu Hamdan	274466	894979
YMCA - Jerusalem	Judeh Majaj	277966	276301
YWCA - Jerusalem	Doris Salah	282593	284654

Hotels Under Construction

Name	*Location*	*No. Of rooms*	*Owner's name*	*Phone*
Al-Safir	Zahra St.	180	Sami Abu Dayeh	273 - 233
Jerusalem Golden Gate	Sheikh Jarrah	230	Hani Abu Dayeh	282 -515
Jerusalem Claridge	Beit Hanina	75	Omar Aweidah	272 - 611
Salah Eddin Tower	Sheikh Jarrah	200	Issa Kurdiyeh	284 - 922
Pilgrims Inn	Rashid St.	120	Fahmi Nashasibi	272 - 461

F. List of Contacts

For further questions and information on investment in East Jerusalem, please contact:
Private Sector Investment Unit (PSIU)
Orient House
P.O. Box 20479
tel: 972 2 271-620
fax: 972 2 274020

***The PSIU is the primary link in East Jerusalem between the private sector and investors. The PSIU can provide potential investors with contacts, lists of possible ventures and projects, as well as current information on the economic needs and status of the East Jerusalem.*

Palestinian Housing Council
P.O. Box 17128
Jerusalem
tel: 972 2 271666
fax: 972 2 271357
contact: Mrs. Marit Unstad

**The Palestinian Housing Council is a non-profit registered corporation in Jerusalem and has a track record in construction, management, finance, and urban planning in the West Bank and Gaza.*

Arab Higher Council for Tourismn
contact: Mr. Fahmi Nashashibi
tel: 972 2 894 658

Palestinian Development & Investment Company, Ltd.
contact: Mr. Youssef Ghanem, executive director
tel: 972 2 656 3492

Jerusalem Tourism Investment Company, Ltd.
contact: Mr. Maher Hamdan
tel: 972 2 656 3419
fax: 972 2 656 3490

Tourism Department
Arab Studies Society
P.O. Box 20479
tel: 972 2 287 797
fax: 972 2 287 805

A video on investment opportunities in East Jerusalem is available through the PSIU. If you would like a copy of this video, please contact the PSIU at the above number.

V. Acknowledgments

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The Orient House:
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Mr. Ishaq Kotob

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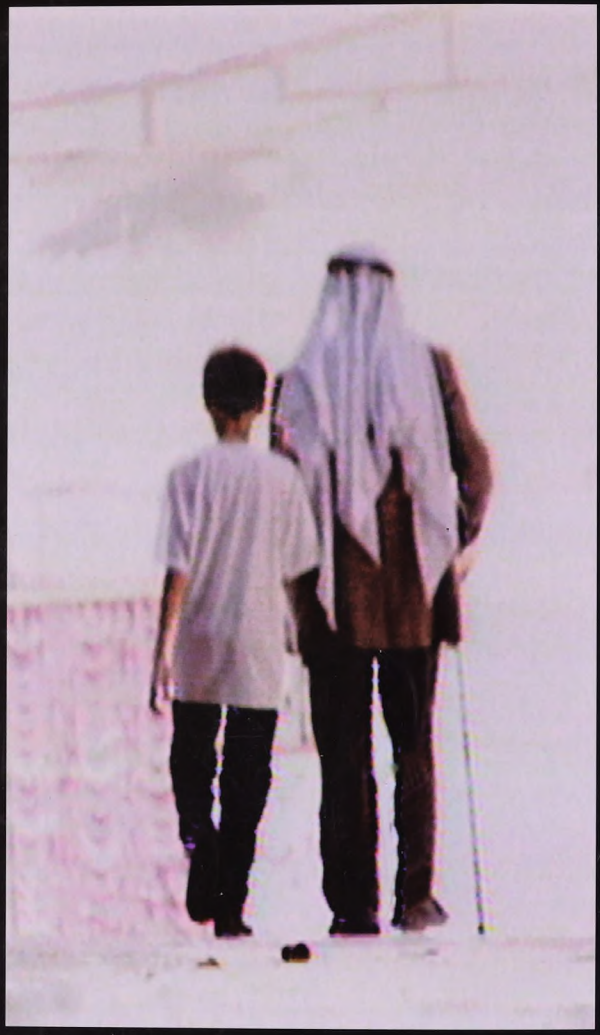

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